



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 7, 1991

Mr. Thomas J. Peck
Thomas J. Peck & Sons, Inc.
76 South 600 East
Lehi, Utah 84043

DOGMI
MINERALS PROGRAM
FILE COPY

Dear Mr. Peck:

Re: Transfer of Mining Operations, Nephi Gypsum Quarry, M/023/011, Juab County, Utah

On September 26, 1991, you contacted Mr. Holland Shepherd of this office requesting the Division's assistance in arranging for a permit transfer and the release of your \$15,900 reclamation surety for the Nephi Gypsum Mine, permit # M/023/011. You informed Mr. Shepherd that you have not operated the mine since January 1, 1991. It is our understanding that Mr. Jack Dansie has obtained a lease from Mr. Robert Steele (property owner), and is currently operating the mine site. You indicated that you would like your surety and reclamation obligations transferred to the new operator.

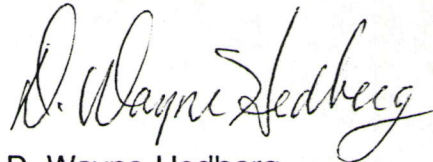
Please find enclosed a permit transfer form (FORM MR-TRL). This form must be filled out and signed by both parties. Also, a new reclamation surety must be provided by the new operator and accepted by the Board of Oil, Gas and Mining before the Division can formally release your surety. The current surety in the form of a Standby Irrevocable Letter of Credit (SILOC) holds Thomas J. Peck and Sons, Inc. responsible for the reclamation of the disturbances according to the approved permit for the Nephi Gypsum Mine. The Division will continue to hold the permitted operator (Thomas J. Peck & Sons, Inc.) responsible for all mining activities conducted at the mine until the permit transfer is finalized and a replacement surety is filed with, and approved by the Division.

A new Reclamation Contract (FORM MR-RC) must be filled out by the new operator and submitted to the Division, along with the replacement surety. The new operator will need to contact this Division to obtain the appropriate forms for the replacement surety.

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Mr. Thomas J. Peck
M/023/011
October 7, 1991

Please contact me or Mr. Holland Shepherd if you have any questions concerning the requirements and obligations as outlined in this letter.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Robert Steele
Jack Dansie
Lowell Braxton
M023011.1